GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1241
ANSWERED ON:27.10.2008
EXEMPTION OF LICENCE FEE
Sugavanam Shri E.G.

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government has any proposal to exempt Land Line Telephone from Licence Fee;

(b) if so, the benefits likely to be accrued to both BSNL and MTNL as a result thereof;

(c) whether the BSNL and MTNL have any proposal to further expand their networks in the rural areas of the country; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA M. SCINDIA)

(a) Sir, at present, no proposal to exempt land line telephones in the country from licence fee is under consideration of the Department of Telecommunications. However, licence fee on fixed wire-line service is rural areas have been waived with effect from 01.10.2008. In addition, it has beed decided that annual licence fee shall be reduced w.e.f. 01.04.2009 to extent of reduction in continuation towards USOF l;evy from 5% to 3% subject to coverage of more than 95% of Development blocks in the service area by the Licensee(s).

(b) MTNL provides wire-line services in Delhi and Mumbai service areas where no rural fixed wire-line exists and as such no benefit on account of waiver of licence fee on fixed wire-line service in rural areas will accrue to MTNL. For BSNL, it is estimated that a benefit of approximately Rs.200 crores per annum will accrue on account of waiver of licence fee in rural areas as mentioned above.

(c) & (d) Since MTNL does not provide wire-line service-line service in rural areas, they have no plans to expand their network in rural areas. As on 30.09.2008, BSNL has covered 2588 SDCAs(Short Distance Charging Areas) out of 2642 SDCAs in the country using Wireless in Loacal Loop (WLL) equipment. Rest of the SDCAs have been planned to be covered progressively subject to techno-commercially viability. For providing fixed telephone practically on demand in rural areas, BSNL has placed order for procurement of 19.2 lakh lines of WLL equipment during 2008-09. In addition BSNL has planned to cover villages having population more than 1000 by mobile services progressively and has placed order ffor procurement of 30 million lines of GSM (Global System for Mobile Communication) equipment to expand its mobile network.